

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02089A
Kyllo Development Corporation dba Bradshaw
Mountain View Water Company
PO Box 10593
Sedona, AZ 86339

ANNUAL REPORT

FOR YEAR ENDING

12	31	2006
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FOR COMMISSION USE

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PROCESSED BY:

4-12-07 EF

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Kyllo Development Corp dba Bradshaw Mountain View Water

Mailing Address PO Box 10593
(Street)

Sedona
(City)

Arizona
(State)

86339
(Zip)

928-203-0890
Telephone No. (Include Area Code)

Fax No. (Include Area Code)

928-301-3723
Pager/Cell No. (Include Area Code)

Email Address timkyllo@msn.com

Local Office Mailing Address _____
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Tim Kyllo
(Name)

Pres
(Title)

POBox 10593
(Street)

Sedona
(City)

AZ
(State)

86339
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

On Site Manager: _____
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Tim Kylo

(Name)

PO Box 10593
(Street)

Sedona
(City)

AZ
(State)

86339
(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: _____
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☒ YAVAPAI

☐ YUMA

☐ STATEWIDE

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	10,271	10,271	0
302	Franchises			
303	Land and Land Rights	5,500	0	5,500
304	Structures and Improvements	14,205	9,818	4,387
307	Wells and Springs	55,201	32,753	22,448
311	Pumping Equipment	39,593	6,142	33,451
320	Water Treatment Equipment	1,735	1,735	0
330	Distribution Reservoirs and Standpipes	39,904	21,856	18,048
331	Transmission and Distribution Mains	166,842	146,211	20,631
333	Services	134,418	52,641	81,777
334	Meters and Meter Installations	47,660	34,402	13,258
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,600	1,033	567
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	516,929	316,862	200,067

This amount goes on the Balance Sheet Acct. No. 108 

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	10,271		0
302	Franchises			
303	Land and Land Rights	5,500		0
304	Structures and Improvements	14,205	.0333	473
307	Wells and Springs	55,201	.0333	1,838
311	Pumping Equipment	39,593	.125	4,949
320	Water Treatment Equipment	1,735	.2	0
330	Distribution Reservoirs and Standpipes	39,904	.0222	885
331	Transmission and Distribution Mains	166,842	.02	3,336
333	Services	134,418	.0333	4,476
334	Meters and Meter Installations	47,660	.0833	3,970
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment	1,600	.05	80
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	516,929		20,009

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ (2,692)	\$ 6,712
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ (2,692)	\$ 6,712
	FIXED ASSETS		
101	Utility Plant in Service	\$ 534,257	\$ 516,929
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	342,819	316,862
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 191,438	\$ 200,067
	TOTAL ASSETS	\$ 188,746	\$ 206,779

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	13,544	14,839
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 13,544	\$14,839
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 138,459	\$123,184
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	20,790	24,270
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 20,790	\$ 24,270
	TOTAL LIABILITIES	\$ 172,793	\$ 162,293
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$5,000	\$ 5,000
211	Paid in Capital in Excess of Par Value	40,000	40,000
215	Retained Earnings	(55,461)	(514)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$(10,461)	\$ 44,486
	TOTAL LIABILITIES AND CAPITAL	\$ 162,332	\$ 206,779

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$182,140	\$ 220,332
460	Unmetered Water Revenue		
474	Other Water Revenues	1,830	2,516
	TOTAL REVENUES	\$ 183,970	\$ 222,848
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	18,785	25,108
618	Chemicals	1,200	819
620	Repairs and Maintenance	52,500	47,992
621	Office Supplies and Expense		
630	Outside Services	74,905	98,308
635	Water Testing	3,700	5,243
641	Rents	12,000	
650	Transportation Expenses		
657	Insurance – General Liability	1,200	4,300
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		2,646
675	Miscellaneous Expense	6,180	2,521
403	Depreciation Expense	25,924	20,009
408	Taxes Other Than Income		
408.11	Property Taxes	9,866	9,667
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 195,930	\$ 216,613
	OPERATING INCOME/(LOSS)	\$ (11,960)	\$ 6,235
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(10,960)	(8,031)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (10,960)	\$ (8,031)
	NET INCOME/(LOSS)	\$ (22,866)	\$ (1,796)

COMPANY NAME

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/1/86			
Source of Loan	Sp valley dev			
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$223,000	\$	\$	\$
Amount Outstanding	\$ 128,490	\$	\$	\$
Date of Maturity	2016			
Interest Rate	7% %	%	%	%
Current Year Interest	\$ 8,031	\$	\$	\$
Current Year Principle	\$ 9,969	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 11,767

Meter Deposits Refunded During the Test Year

\$ 1,242

COMPANY NAME Bradshaw Mountainview Water co

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-610558	10	200				
55-610557	5	60				
55-610556	7.5	300				
55-584368	20	200				

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
20	1	6	
15	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
125000	1		
65000	1		
5,000	2		

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3	pvc	3500
4	Pvc	11,500
5		
6	pvc	42,768
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	228
3/4	332
1	2
1 1/2	4
2	7
Comp. 3	1
Turbo 3	1
Comp. 4	1
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT Liquid injection chlorinator

STRUCTURES: Small Well houses and fenced lots

OTHER:

COMPANY NAME: Bradshaw Mountain View Water

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2006

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	587	3060	4483
FEBRUARY	570	3517	4256
MARCH	577	3017	3947
APRIL	577	3202	3440
MAY	574	5461	7275
JUNE	590	6108	7372
JULY	580	4530	5012
AUGUST	588	4817	5732
SEPTEMBER	590	3933	4966
OCTOBER	576	3617	3959
NOVEMBER	583	3790	5058
DECEMBER	575	2922	4257
TOTAL		47,974	59,760

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. ____ less than .01 ____ mg/l
(If more than one well, please list each separately.)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Bradshaw Mountainview water YEAR ENDING 12/31/2006

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2006 was: \$ 9,667

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME _____ Bradshaw Mountain View Water _____ YEAR ENDING 12/31/2006

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____ s corp _____
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE

04/07/07
DATE

Timothy L Kylo
PRINTED NAME

Pres
TITLE

**VERIFICATION
AND
SWORN STATEMENT**
Intrastate Revenues Only

VERIFICATION

STATE OF _____
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
Yavapai
NAME (OWNER OR OFFICIAL) TITLE
<i>Timothy L. Kelly</i>
COMPANY NAME
<i>Bradshaw Mountain Water Co</i>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2006 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 235,219

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 12,371
IN SALES TAXES BILLED, OR COLLECTED)

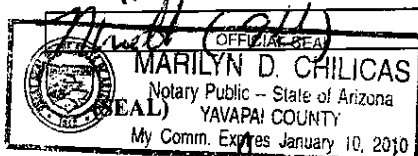
****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
928-203-0890
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME	<i>Yavapai</i>
MONTH	<i>April</i>
	<i>2007</i>

Marilyn D. Chilicas
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES January 10, 2010

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yavapai</u>	
NAME (OWNER OR OFFICIAL) <u>Timothy L. Kelly</u>	TITLE <u>Pres</u>
COMPANY NAME <u>Breadshaw Mountain View Water Co</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2006 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
IN \$ 217,144

(THE AMOUNT IN BOX AT LEFT
INCLUDES

\$11,419

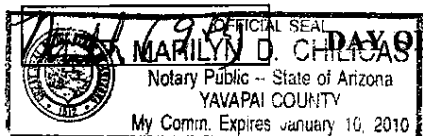
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Timothy L. Kelly
SIGNATURE OF OWNER OR OFFICIAL
928-203-0890
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



(SEAL)

MY COMMISSION EXPIRES

January 10, 2010

NOTARY PUBLIC NAME <u>MARILYN D. CHILICAS</u>	
COUNTY NAME <u>YAVAPAI</u>	
MONTH <u>APRIL</u>	20 <u>07</u>

X Marilyn D. Chilicas
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**